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1 February 1949

MEMORANDUM NO. 2 FOR: THE DIRECTOR

SUBJECT: NOTES ON THE SECTIONS IN THE "DULLES" REPORT PERTAINING TO ICAPS

INTRODUCTION

ICAPS has read with interest the "Dulles" Report severely criticizing the Government's civilian intelligence activities and suggesting detailed broad-scale reorganizations.

We note with especial interest that the element of "direction" contained in the word "coordination", so frequently used throughout this report, is unduly emphasized. This factor is usually unacceptable to most of the interested Agencies and individuals. Usually the IAC have insisted on "cooperation" rather than "coordination," so agreed papers cannot be written in "precise" language. Even cooperation, in practice, has often been given reluctantly or on a limited scale (not only among the IAC Agencies but within CIA itself and also within the Departments). Accordingly, we heartily endorse the Report's statement on Page 45 ".....coordination in such a complicated field as intelligence cannot be achieved solely by directives and without the fullest cooperation of the interested departments."

Whereas ICAPS is thoroughly in accord with actively directed coordination, it fails to see how in practice this can be put into effect without real over-riding authority for CIA. Thus, in Washington, it thinks unrealistic the Report's statements on Pages 42 and 55: "In spite of these calculated limitations on the authority of the CIA, it is clear that the Agency was expected to provide the initiative and leadership in developing a coordinated intelligence system." ".....lack of authority in a specific situation should not deter the Central Intelligence Agency from exercising its responsibility to submit recommendations so that proper coordination will result." Although the Director of Central Intelligence is not "prohibited" by the IAC or by other restrictions from submitting his recommendations to the NSC without IAC approval, in practice this would constantly cause dissension and friction with the IAC Agencies with whom this Agency must work.

Also, without such definite authority, a situation may well be "grasped" (understood) but may not be effectively changed. It is noted on Page 41: "The Act does not give the CIA independent authority to coordinate intelligence activities"; yet many of the recommendations hinge upon having such authority and many of CIA's alleged short-comings are due to this lack.

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Apparently the Investigators obtained most of their information on ICAPS from others in CIA and elsewhere, as it is not always exact. It does not reflect much of the brief discussions with the Investigators in ICAPS. At that time, the Investigators indicated largely their concern over the duplicative functions of the Standing Committee (which is hardly mentioned in this Report) and the more active personal participation of the IAC Members in substantive intelligence.

As stated on Page 16 a new agency cannot be built up effectively and efficiently in a short time, especially when the subject is intelligence in which there has been no long American civilian experience.

An inherently incompatible viewpoint is prevalent throughout the report. It recognizes that compulsion will not achieve full coordination but then adversely criticizes CIA for not being more positive, firm, and definite in its policies and procedures with the IAC Agencies.

Throughout the report there is the impression that the authors often wish to make changes for the sake of change. Whereas personnel is criticized throughout the Report, we note that but few concrete recommendations have been made. Too often their recommendations are of a very academic nature which, in Washington, in this day and age, are too unrealistic for practicable application.

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DETAILED COMMENTS

Although the Index lists only Page 46 as the Investigators' report on ICAPS, there are several other specific comments on and references to ICAPS throughout the Report, so this section will contain ICAPS' comments on the Investigators' criticisms and suggestions as they pertain to ICAPS.

ON PAGE 4: As suggested ICAPS is already ".....composed of personnel definitely assigned to and responsible to the Director of Central Intelligence.....on a full-time basis.....". We are not sure what the Investigators mean by how it could best be "reconstituted and strengthened" unless they mean that it should be given staff authority for coordination and planning, to act within CIA as well as among the IAC Agencies. The Investigators spent but a short time on two different occasions in ICAPS, total time about an hour, inadequate for personnel evaluation, so we think that "strengthened" does not mean necessarily a change of personnel.

Also, ICAPS is already ".....charged, on a full-time basis, with carrying on continuous planning for the coordination of specific intelligence activities" and it does endeavor to ".....support the Director in fulfilling one of his most important and difficult duties under the National Security Act". The collateral duties of two of its members representing the Director on the National Security Council Staff and on a planning Subcommittee of SANACC do not detract from the staff responsibilities of ICAPS.

As CIA has become more firmly established since the original days of its organization three years ago, there has been considerable planning in the operating offices of CIA and considerable working-level liaison and coordination, so that the duties of ICAPS in the purely planning field have naturally changed somewhat and include some high-level troubleshooting as well as liaison and coordination activities.

In connection with the whole question of coordination, the statement of the Investigators on Page 5 should not be lost sight of in view of the recurring prominence given to their criticism that there is a lack of coordination. We quote and underline the section which is particularly applicable and which has usually been our policy, but which in other sections of this Report is criticized as being the undesirable method: "In concluding the consideration of this most vital problem of coordination of intelligence activities, it should be emphasized that coordination can most effectively be achieved by mutual agreement among the various agencies". A logical deduction is that a primary staff function of ICAPS should be to bring about this "mutual agreement."

Coordination by mutual agreement is, and has been, the policy of ICAPS and CIA so, naturally, perfection cannot be attained promptly or "precisely" or imposed forcefully; yet elsewhere throughout this Report CIA is criticized for not forcefully directing the various government agencies engaged in intelligence along the line of centralization, even when there is no real authority to do this granted to CIA by law or by directives. Furthermore, none of the IAC Agencies will accept the "direction" of CIA, an authority outside their own departments and to which they are not primarily responsible.

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ON PAGE 9: "The Director's Planning Staff for coordination of activities should review the question as to what subjects might appropriately be assigned to the new Research and Reports Division for central research and report and what services now centrally performed in CIA might be eliminated". This recommendation would put the reconstituted ICAPS back in to planning within CIA where it was before the above-mentioned duties were given to I & S and A & M and other CIA offices. In this we concur.

The next sentence in this paragraph reads: "The Intelligence Advisory Committee would be the agency to determine the allocation of work, and in case of any failure to agree, the matter would be referred to the National Security Council". This transcends the determination already arrived at in NSCID 3, by allotting to the IAC authority to determine the work within CIA also. In this we do not concur since it would abrogate the control authority within his own organization of the Director of CIA.

ON PAGE 30: The paragraph about ICAPS on this page is merely a statement of fact. As stated ICAPS is comprised of persons "nominated" by their Departments for assisting the Director and the IAC. Nothing is said here about divided loyalties or about not being wholly responsible to the Director yet elsewhere in the Report these two unsubstantiated viewpoints seem to be given credence.

ON PAGE 43: As stated, the IAC and ICAPS are certainly two organizations assisting the Director respecting coordination and this might be extended also to OCD, but on a wholly different (operating) level. The first two are on the planning level and the "coordination" which OCD does is ordinary day to day business incidental to the operation of its Office in accordance with efficient centralization, chanelizing of communications, security requirements (Cf. Comments on OCD under heading "ON PAGE 61," etc.)

ON PAGES 46-48: This is the principal section about ICAPS. It refers to it as a "staff unit," at the beginning of this section, but later on indicates that it has been encumbered by "operating responsibilities". Halversen's position with the JIG has already been taken out of ICAPS and, we should say, more properly allocated to OCD rather than to ORE, which these Investigators think "has almost exclusive interest" in his work. The designations of Childs to the NSC Staff and MacCarthy to the SANACC Subcommittee do not entail "operating responsibility". They represent the Director at these meetings. Any demands for operational support of NSC Staff activities are fulfilled by operating echelons of the interested Departments or Agencies such as ORE, Policy Planning Staff of Department of State, etc. Furthermore, the SANACC Subcommittee for Special Studies and Evaluations is planning in peacetime for the coordinated use of Psychological Warfare (white) in time of war or threat of war.

As stated, ICAPS does "review the intelligence activities of the Government" and "assists the Director" but all "measures of coordination" are not "initiated" within ICAPS. The IAC members or various offices in CIA often take the first steps in bringing to our attention new matters requiring coordination.

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Contrary to the implications of the Report, ICAPS does "have an intimate knowledge of the organization, responsibilities, and activities of the various intelligence agencies". We do not, however, know what their "priorities" are. We think that the IAC agencies would consider it redundant to keep us informed on their own priorities, which may change from day to day, or even from hour to hour.

Our "achievements" do not necessarily indicate "failure to appreciate the breadth of the responsibility of the CIA for coordination of intelligence activities". When authority is lacking and when "coordination can most effectively be achieved by mutual agreement", a great gap between real accomplishments and the far higher desire to realize greater coordination is inevitable.

Contrary to the Report's statement, ICAPS was not "originally expected" to be the secretariat of the IAC, but did assume these duties a year ago and is now carrying them out in conjunction with the Standing Committee members as requested by the IAC.

"There has been confusion between the functions of ICAPS and those of the Standing Committee". This is in large measure caused by a redundancy in the membership of the two groups. In our opinion the Standing Committee is unnecessary.

Contrary to the statement in the Report, ICAPS is a "staff of the DCI" not a "committee representing the member agencies". We work full-time in CIA. Although paid by our respective Departments, this does not cause "divided loyalties".

The paragraph at the bottom of Page 47 states: "In these and other ways ICAPS has acquired operating rather than planning functions and has become, to some extent, a buffer between the operating parts of the Central Intelligence Agency and outside agencies. In carrying out both its planning and operating functions, it is not in close touch with the intelligence branches of the Central Intelligence Agency. There are numerous complaints that it is not only failing to carry out its own mission properly, but is actually impeding the other parts of the Central Intelligence Agency in carrying out theirs".

With reference to the part time "operating responsibilities" mentioned above, ICAPS does not know in what "other ways" it has acquired operating rather than planning functions. ICAPS is a "buffer" between the operating parts of CIA and outside agencies as it was constituted in part for this purpose. This is a necessary and desirable function to enhance the contacts between the working level and higher levels. Some friction has developed between the operating offices of CIA on the one hand and the IAC Agencies on the other when our planners on the operating levels have actively completed direct plans, agreements or operations, without giving adequate consideration to the overall policies of the respective agencies.

We note that the Report states: "in carrying out both its planning

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and operating functions, it is not in close touch with the intelligence branches of the Central Intelligence Agency". We maintain that in our designated field we are "in close touch". The former internal inspection and planning functions of ICAPS were transferred to other CIA offices a year and a half ago. If ICAPS should have the staff authority recommended in the Report, closer touch is bound to result.

Undoubtedly there are "numerous complaints" about ICAPS, but when any of them have been referred to us, we have endeavored to rectify the situation. We should be glad to have the other offices in CIA (who have apparently made these complaints) tell us how we are "impeding the other parts of the Central Intelligence Agency in carrying out their missions".

Few individuals can legitimately claim to be experienced "authorities" on the "problems of intelligence organization". We make no such claim. It is pointed out above that we can "grasp the nature of the responsibility for coordination of intelligence activities" without being able to accomplish ultimate perfection through the above mentioned "mutual agreements" and through lack of an overriding authority which cannot impose its will on other independent agencies. And, since ICAPS has been excluded from internal study of CIA, the requirement for experienced "authorities on problems of intelligence organization" is not apparent.

ON PAGES 61 and 62: As suggested, ICAPS already is "within the internal organization of the CIA set up clearly as an integral part of the Agency....." but under present authority it is not "charged with the task of seeking out, studying and developing in consultation with the other parts of the CIA and outside agencies, plans for the coordination of intelligence activities". (Applicable words underscored.)

We do not understand how ICAPS can become a "small" "coordination division" devoting itself to planning and at the same time direct the carrying out of "certain current tasks" of OCD, which are operating functions.

OCD is "constantly dealing with the day to day working level problems of collection". If these cannot be solved on the working level under standing instructions and if these standing instructions impede its procedures, ICAPS could well take up interdepartmental coordination measures to smooth out these matters if it had the authority to seek out and study internal CIA procedures.

It would assist the coordination of intelligence activities if the "Coordination Division" had the authority to assure the adequate implementation of various directives - NSCID's, DCI's, etc. - as it is known that in some instances offices, within CIA and within the IAC Agencies, do not always carry them out.

~~TOP SECRET~~*P. Nichols
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